

**MINUTES**  
**BOARD OF TRUSTEES MEETING**  
Holt Heritage Museum, Lolo, Montana  
Thursday, July 21, 2005

In attendance were Montana Historical Society Board of Trustees members Steve Browning, Judy Cole, Tom Foor, Shirley Groff, Bill Holt, Jack Lepley, Sharon Lincoln, Jim Murry, Lee Rostad, Tom Siebel and Jim Utterback. Also in attendance were MHS Director of Museum Services Susan Near and MHS Administrative Assistant Gena Ashmore.

**CALL TO ORDER**

President Lee Rostad called the meeting to order at 9:00 a.m. Lee introduced two of the new appointees to the Board: Jack Lepley and Jim Murry.

Lee explained the new *Board of Trustees Orientation Manual* to the Board. The *Statement of Philosophical and Procedural Guidelines* states that an orientation manual should be given to all incoming Trustees. Gena Ashmore created the manual, and since it has not been issued recently, she gave a copy to each of the Trustees.

Lee announced that Arnie Olsen's father had died, so Arnie would not be in attendance. Two sympathy cards were passed around for signature. Lee asked that Gena order flowers for the funeral and asked Board members to contribute if they wanted to.

**REVIEW OF MINUTES**

**Bill Holt moved to approve the minutes from the April 21, 2005 meeting, Jim Utterback seconded, all voted in favor, and the motion passed.**

**DIRECTOR'S QUARTERLY REPORT**

Susan Near gave the Director's Quarterly Report in Arnie Olsen's absence. In addition to what was in the Director's Quarterly Report, the following items were reported.

Steve Browning stated that the Craney Collection was approved by its Foundation Board to be donated to the Society. It was always anticipated by the Craney Foundation that the Museum of the Rockies would be able to meet the terms of the original grant to them, but that has not worked out. The content of the collection is far more consistent with the art collection of the Historical Society. Susan Near added that Ed Craney gave the Society a large collection of his papers, memorabilia, and photographs many years ago. The Museum of the Rockies is reassessing its whole focus, and it is in the process of emphasizing dinosaurs exclusively.

We are getting input for the design of the Montana quarter. Arnie Olsen is sitting on the committee that will write up what will be proposed for our state's quarter. August 31 is the deadline for the submission of ideas.

The American Association of State and Local History (AASLH) is a nationwide, professional services organization to help improve the state of history and related disciplines. A large part of AASLH's work goes into improving museums and professional development. A press release was included in the Board packets that described AASLH's efforts to secure federal formula grants for museums.

Lee Rostad said that she had talked with Ellen Baumler about doing a story in the Delta Airline's *Skywest Magazine*. We are currently advertising in this magazine, but more people read the stories than the ads. This opportunity would be a good way to advertise for both Helena and the museum.

Steve Browning asked about the Bradley Fellowship. Susan explained that the Bradley Fellowship is an endowment that was begun by a family honoring James H. Bradley, who was in the U. S. Army during the Indian wars. Jack Lepley added that Bradley was Montana's first historian. He was stationed in Fort Benton and went to the Little Big Horn Battlefield to help remove the wounded and dead. He ended up at the Battle of the Big Hole the next year and was shot between the eyes. Tom Siebel asked whether the endowment is held by the Society or the Montana History Foundation (MHF), if the endowment is a state fund, and how many endowments the Society has. Susan Near answered that the endowment is at the Society and is for the specific purpose of keeping new research in history going. Some years there is not enough interest money in the fund to create two fellowships, but this year there is. The Bradley Fellowship researchers are usually asked to present their research at the History Conference at the Bradley Breakfast as a benefit to the Society. The Sobotka bequest is funding an endowment to provide interns on an annual basis. The MHS does not have many endowments.

The first section of the Lewis and Clark exhibit *Neither Empty Nor Unknown* (NENUK) will be open by the next Board meeting and the History Conference. Tom Foor asked about the funding source for the NENUK exhibit and if the funds are channeled through MHF. Susan Near answered that we receive Lewis and Clark funds through the bed tax, we received a small grant from the Redd Center Foundation, \$30,000 from the Montana History Foundation, \$75,000 from the National Park Service as a Lewis and Clark grant, \$25,000 from the Montana Lewis and Clark Bicentennial Commission, and we are also using Sobotka funds. Doug O'looney's employment was extended for one year to help build the exhibit.

Jack Lepley said that the National Park Service's Corps II installation was well received in Fort Benton and Great Falls. There were not large numbers of people. It was well attended in Glasgow. The programs were nicely done. Susan Near said that the Helena Corps II segment was held at the Fairgrounds. There were fairly good crowds in Helena. Bob Morgan did a talk in the Tent of Many Voices, as did Dave Walter. Jack Lepley did a talk in Great Falls.

Ellen Baumler has been doing a number of programs at the Society on her new book *Beyond Spirit Tailings*. She will also do programs at the History Conference.

Judy Cole said that some Program Managers mention the employees who do specific tasks in the Quarterly Report and others do not. She asked that all Program Managers report the tasks done by specific employees by name to expose the Board more to what the employees do. She also asked to list the Program Manager's name at the beginning of each division's report.

## **FINANCIAL REVIEW**

Susan Near presented the Financial Review to the Board. The report was in draft format because of its year-end status. Many numbers have not been put into their proper places yet.

Sharon Lincoln asked about the \$465,709 in expenses listed under Lewis and Clark Bicentennial. Susan Near explained that that is for the Lewis and Clark Bicentennial Commission office, and much of it is for operations and re-granting. Tom Siebel asked who disburses the grants. Susan explained that the Lewis and Clark Bicentennial Commission, which is administratively attached to the Society, administers the grants.

Tom Siebel asked what the relationship is between the Society and the State Historic Preservation Office (SHPO) and if the Board has any discretion over SHPO's funds. Tom Foor explained that SHPO is an Interior Department fund that is given to every state to run a historic preservation office, so it is earmarked very specifically for that. Steve Browning added that it is for the historic preservation of buildings throughout Montana, and every state has a program for that purpose. SHPO is a federally funded program that is administered by the states, and the Board does not have discretion over SHPO's funds. Susan Near stated that SHPO has to construct a detailed plan to the Park Service every two years in order to justify that money. They specify what projects they propose to do. It is a very long, complicated report.

Tom Siebel asked if the Board has any fiduciary responsibility over the Society's overall budget of \$4 or \$5 million in aggregate. He asked what is the decision process by which, if any, the Board does have purview over that budget. Steve Browning answered that the Board's fiduciary responsibility probably starts and ends with the appointment of the executive director. Because the Historical Society is a state agency, the state has the control over the finances, not the Board. In most respects, the financial report is just informational.

Tom Siebel questioned to whom the Director is responsible. Lee Rostad answered that he serves at the Board's pleasure. Sharon Lincoln quoted the bylaws: "the Finance Committee shall advise the Director and the Business Manager concerning financial policy, financial reports, budgeting and related matters." Steve Browning said this is a unique organization that is not typical in that it is a state agency where everyone is a state employee that gets paid by the state and is subject to all the state requirements with one exception, the Society Director. The head of the organization, unlike any other agency in the state, is responsible not to a higher level in the state, but to a board that is appointed. Susan Near stated that the Historical Society is part of the executive branch, and so it is subject to all of the rules that all the other agencies are subject to. The budget must be presented to the Governor's Budget Office for approval. The biennial budget must also be approved by the Legislative Budget Analyst. The Society is audited every two years. It is interesting because organizations such as ours are very complicated organizations. Even in the

museum world, historical societies and museums within universities are much more complex than private museums or businesses.

Tom Siebel asked if the Board plays any role in expenditure of trust funds. Steve Browning explained that when estates pass funds to the Historical Society, it becomes the property of the State of Montana, not the Historical Society. This money is invested by the Montana State Board of Investments for the benefit of the Historical Society for the purposes of the original request. There is probably a way of making a grant to the Foundation in a manner so that it is not the property of the state. The moment it becomes the property of the state, a whole set of legal requirements apply. Any asset of the State of Montana that is an investment asset has to be invested by the Montana State Board of Investments.

Steve Browning commented that it is very unclear to the Board that, if you make a gift for the benefit of the Historical Society, do you give the gift to the Society, do you give it to the Foundation, do you give it to the Foundation for the benefit of the Society, or do you give it to the Foundation with no strings attached? How do you do those things? It would be helpful to the Board to see how the system currently works as opposed to how its members would like to see the whole thing work. The gift procedure is very important for the capital campaign.

Tom Siebel said that, when dealing with the Historical Society, there is a mind-numbing level of complexity. He gave a large donation to the Museum of the Rockies, and it was not nearly as difficult. Steve Browning answered that the Museum of the Rockies deals with gifts very routinely, and the Historical Society does not. Tom stated that sometimes you find that with competence, complex things suddenly become really simple. Tom said that, as directors, we should want it to be that easy here. Aside from recognizing and acknowledging the complexity, maybe there is something else we can do. Jim Utterback said that the Museum of the Rockies is very well organized, and it has a dinner every year that raises half a million dollars. It has so many donors and for 15 years it has been in the business of doing what we are just starting to do, trying to raise money and publicity.

## **ROUTINE UPDATES/ACTIONS**

### **Montana History Online Project**

Lee Rostad said that we have the opportunity to put the museum on-line. Tom Siebel has offered to fund a state-of-the-art website, but we are having some problems. The Board voted to go on with the project at its last meeting. Since then, Arnie Olsen has been looking at the contract, and he has some concerns. Tom Siebel will pay for the initial installation and the first year of site maintenance. It is the second year that Arnie is concerned about, because he feels that it will cost as much as \$150,000 per year to maintain the website. Arnie is reluctant to go to the legislature for that much money. He is concerned about putting the Society in debt when we have no way of knowing if we can fund it. The Executive Committee discussed this issue and decided that it would be proper for the Finance Committee to meet with Arnie and Centralized Services Manager Jody Brandt to see if there are some places in the current budget that we can cut. It puts a lot on our plate to have this big project along with the new building project. The

Finance Committee consists of Steve Browning, Tom Foor, Sharon Lincoln, Tom Siebel and Jim Utterback. Jim Murry volunteered for the Finance Committee.

Tom Siebel said that this is a window of opportunity and suggested to have the meeting soon. He said that an outside foundation paid an organization called Gallery Systems \$100,000 to perform a study for the Society. These people are in the business of building collections management and display systems combining archival, artistic, and historical information. They do this for the finest museums on the planet. They made a proposal to build a turn-key system for the Montana Historical Society that would enable the Society to consolidate its collections in what is a state-of-the-art computer system and then build a website to display this collection. Gallery Systems will build it, design it, test it, and assure its quality. They buy the computers and cameras. They staff the entire process, and deliver it up-and-running with 10,000 objects in it, which is pretty big. It would put the Montana Historical Society basically on the same playing field as the Louvre. Gallery Systems would deliver a turn-key system to the Historical Society in twelve months. It costs \$2,000,000. After that, it will cost another \$150,000 a year to maintain forever.

Tom Siebel said that there are a number of issues involved. Where does the \$150,000 a year come from? It either comes from additional sources of funding, from outside funding, or from abandoning other projects. The second issue is that there is nobody to write a check to. The third issue that needs to be addressed is that, unless a senior manager at the Society is held fully accountable for the delivery of this system, it will not happen. Who is that individual? Gallery Systems has a team of artists and people assembled to do this project. They demonstrated their capability to us at the last board meeting. They are not going to stand by forever. How does it get funded? The organization that is willing to fund this is not willing to pay for it forever. If there is not a willingness on the part of the Society to pay for something, then it should not be done. The Montana History Foundation is very sensitive about placing their name on it, because if their name is on it, they are responsible for delivering it. Nobody wants to be responsible for delivering it. Tom concluded that, unless it is interesting enough to the Society to come up with \$150,000 a year themselves, then it should not be done because it is not important to the Society. At the next meeting, this thing is either operating or it is over.

### **Montana History Center**

Susan Near stated that a letter has been sent to the manager of Westfield Properties, the owner of the Helena mall property, outlining what needs to be done for the due-diligence process -- such as property appraisal, land survey, title report, environmental inspection, structural analysis, inspection of the mechanical and electrical systems, architectural analysis, etc.

Lee Rostad said that there are several approaches to this. We are looking into whether it will be more feasible for the Foundation to buy the property. Then it would not be state property, and we would have fewer restrictions on it. All of those things are being discussed and worked out as the inspections continue.

### **C. M. Russell Bronze Issue**

Lee Rostad said that Bob Morgan spotted the sale of some bronzes that were being offered by the C. M. Russell Museum of Great Falls. They had cast 100 bronzes and sold about 50 of them. These bronzes had been cast and sold by the Historical Society several years ago. The original casting by the Society was supposed to be the only casting done, and the contract between the Society and Mr. Richard Flood was binding, which makes the current bronzes by the C. M. Russell Museum illegal. Arnie Olsen has had very little success in meeting with and talking to the director of the C. M. Russell Museum, so the Board decided to skip that process and go to its Board. Lee read a letter that will be sent to the C. M. Russell Board from the MHS Board. **Steve Browning moved to send the letter to the C. M. Russell Museum Board if there is no question about the legality, Jim Murry seconded the motion, all voted in favor, and the motion passed.**

Steve Browning said that legally it sounds like we are on very good grounds, but in terms of public relations it is awkward because we are going into a capital campaign. The people who invested in these C. M. Russell Museum bronzes did so in part because they supported the mission of the Russell Museum and in part because they wanted to get some value. They are not going to be very happy campers.

### **Other Pertinent Issues**

Susan Near reported that the Western Rendezvous of Art is scheduled for August 18 - 21. August 18 is the opening artists' reception for the "Painting the Corps" artists at the Society, with a barbeque and entertainment. The seminars, with speakers Scott Burdick and Jack Gladstone, are free and open to the public. Another artists' reception is Friday night, and the Quick Draw and brunch will be at the Sieben Ranch on Saturday. The art sale and banquet is Saturday evening.

The History Conference theme this year is "Encounter Montana," and it will be held at the Great Northern Hotel in Helena from September 29 through October 1. A draft brochure and registration form is in the Board packets.

### **ACTION ITEMS/NEW BUSINESS**

#### **Museum Deaccession**

The Rocky Mountain Elk Foundation of Missoula has a number of Scriver mounts and affiliated artifacts. **Steve Browning moved to approve the deaccession, and Jim Utterback seconded.** Steve asked that the deaccession document be changed to reflect that the mounts were too dirty and damaged to exhibit due to damage prior to acceptance by the Montana Historical Society. **All voted in favor, and the motion passed.**

### **C. M. Russell Museum Loan**

The C. M. Russell Museum is asking for an extension to the loan for the Mint bar that was first loaned to them in 2000. The Russell Museum has been told that, if and when we get a new building, we will ask for the bar back. Steve Browning questioned whether the loan should be for five years. Steve suggested that the loan approval be included in the letter about the illegal bronzes. **Steve Browning moved to approve the loan, Judy Cole seconded, all voted in favor, and the motion passed.**

### **COMMITTEE REPORTS AND/OR PRESIDENT'S UPDATES**

Shirley Groff said that she had received four nominations for the Trustees' and Educator's Awards. Arnie Olsen nominated Betty Babcock several years ago. Betty worked very hard for the Historical Society during the legislative session and has done many other things. The committee recommended Betty Babcock for the Trustees' Award. Bill Walker and John Hughes of Butte, both deceased, are very much worthy of that award. Shirley would like to see Bob Bergantino get the award because of his map work and things he has done on the Lewis and Clark Foundation. For the Educator's Award, the committee recommended H. Duane Hampton of Missoula. Last year he was nominated for the Educator's Award, and this year he was nominated for the Trustees' Award. After reading his qualifications, it was clear to the committee that he should receive the Educator's Award. We do not typically give these awards posthumously, but Mr. Walker and Mr. Hughes' work was remarkable, and there are extenuating circumstances. **Tom Foor moved that H. Duane Hampton receive the Educator's Award, Steve Browning seconded, all voted in favor, and the motion passed. Steve Browning moved that Darrell Kipp of Browning receive the Educator's Award, Jim Murry seconded, all voted in favor, and the motion passed. Judy Cole moved that Betty Babcock receive the Trustees' Award, Steve Browning seconded, all voted in favor, and the motion passed. Steve Browning moved that Bill Walker and John Hughes jointly receive the Trustees' Award, Bill Holt seconded, all voted in favor, and the motion passed.**

Lee Rostad said that there are three sections in the *Statement of Philosophical and Procedural Guidelines*, the 200s, the 300s, and the 400s. The guidelines are obsolete. Section 400 comprises the Society's policies, and Gena Ashmore will edit them by the next meeting. Tom Foor went to school to learn how to update sections 200 and 300. The Board discussed the guidelines and bylaws, including the Director's performance evaluation, Board meeting attendance, donations, deaccession, expenditure of funds, and the Board's role in the biennial budgeting process. Tom Siebel suggested that the Board members' cumulative attendance in the meetings be reported in the minutes and that that would be a self-correcting process. Tom also suggested that the Board write up the guidelines that it would like to see and take it to Attorney General Mike McGrath to check on their legality and whether they comply with state law.

### **PUBLIC COMMENT**

In regard to the Bair Museum, Lee Rostad said that the Attorney General had filed a summary judgment for the advisory board to form a separate foundation and reopen the Bair Museum in that fashion. The judge ruled against that. Now we are back to a court date in August.

Board of Trustees Meeting  
July 21, 2005

**ADJOURNMENT**

Susan Near passed around an MHS Press book for everyone to sign to be given to each of the outgoing Board members.

**Lee Rostad moved to adjourn the meeting, Judy Cole seconded, all voted in favor, and the meeting adjourned at 11:45 a.m.**